

MINISTRY OF EMPLOYMENT AND TRAINING

CO-OPERATIVE DEVELOPMENT PROGRAM

1. The Ministry's objectives and conditions of eligibility for funding co-operatives have been revised in the light of experience with the operation of a number of projects. The revised objectives and conditions are set out in the following paragraphs.
2. The number of projects that can be funded under the Co-operative Development Program will be determined by the total available to the program, the cost of projects approved for funding, and the Ministry's capacity to monitor projects and maintain close contact with project managers.
3. Projects will normally be funded for up to 12 months. It is recognized by the Ministry, however, that many projects will take longer than 12 months to develop and firmly establish themselves. Consideration will be given therefore, subject to the availability of funds, to the continued funding in a subsequent financial year of those projects which have demonstrated or provided reasonable evidence that they are moving towards self-sufficiency.

The objectives

4. The objectives for the program are to:
 - (i) establish viable, new small-scale business enterprises, or employment generating modifications to existing businesses through work co-operative ventures;
 - (ii) enhance the effective integration of the training and social resources required to provide for the long-term viability of work co-operatives; and through these ventures to -
 - (iii) improve the economic well-being and social conditions of those unemployed or facing difficulties in entering or re-entering employment;
 - (iv) make use of unused or underutilised community resources; and
 - (v) enhance the employability of participants in the program.

General conditions

5. The general conditions governing the eligibility of co-operatives are that:

- (i) the Ministry's objectives for the program are met;
- (ii) the goals are clear and directly related to the identified problem;
- (iii) there is evidence supporting the case that a problem exists and that the proposed course of action offers reasonable prospects of resolving or alleviating it;
- (iv) the proposal is likely to achieve its goals in 12 months or demonstrate within that time they are achievable;
- (v) the kind of support sought would not normally and reasonably be available from other sources;
- (vi) the proposal is by way of an experiment or demonstration and, if successful, could be applied to other groups or in other areas;
- (vii) the proposal is different from projects currently being funded or justifies repeating or duplicating a project;
- (viii) the proposers have the capacity or the support of those with a capacity to manage the project;
- (ix) there are adequate arrangements to monitor progress of the project, provision has been made for its evaluation and quantitative measures of its performance have been identified; and
- (x) the cost of the proposal to the Ministry will not exceed \$100,000 per year.

Special conditions

6. In addition to the general conditions of eligibility the proposers of co-operatives would also have to show that:

- (i) they had clear understanding and accepted the continued application of co-operative business principles and practice. These would include -

- . registration and continued meeting of the requirements of registration;
- . demonstration of a capacity to attain economic self-sufficiency;
- . agreement to use the grants and/or loans only for the stipulated purposes. All costs must be built into pricing structures;
- (ii) the proposal had a reasonable base of community support. The mix and extent of the community support would necessarily vary from proposal to proposal;
- (iii) there would be active and substantial involvement of the unemployed in the development of the co-operative;
- (iv) the Co-operative Adviser of the Co-operative Federation of Victoria had been provided with the information necessary for him to make a proper assessment of the funding request; and
- (v) they accepted the need for full accountability. This would include the provision of -
 - . monthly cash flow statements, balance sheets and profit and loss statements
 - . copies of all management committee minutes and any associated documents considered by the management committee
 - . quarterly reports indicating the extent to which the goal of self-sufficiency was being attained
 - . audited statements on the use of the loans and grants, on completion of the project or when applying for further funding.

7. When running a co-operative funded by the Ministry, the manager(s) or management committee will have to:

- (i) observe co-operative principle and practice, maintain membership of the Co-operative Federation of Victoria and attend or be represented at meetings of the community employment co-operatives group of the Co-operative Federation of Victoria;
- (ii) comply with all the relevant responsibilities of employers and with the requirements of Commonwealth

- and State legislation and regulations. The onus will be on the co-operative to know and observe relevant legislation and regulations; and
- (iii) establish and maintain adequate financial records supervised by a qualified accountant. Banking, financial and money management details should be fully disclosed.

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